

Mission to Russia Highlights Energy Sector

U.S. Firms Foster Relationships for New Business

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This past September, Donald L. Evans, secretary of commerce led a delegation of 13 U.S. executives on a business development mission to Russia. These executives, representing medium-sized companies in the oil and gas to St. Petersburg to participate

in the second U.S.-Russia Commercial Energy Summit, and to Moscow to meet with potential business partners. This mission was a direct result of the close commercial relationship that has developed between the United States and Russia over the past few years, as well as the unique friendship between President Bush and Russian President Vladimir Putin.

As a result of this bilateral relationship, the United States has become increasingly involved with Russia in energy issues. In May 2002, Presidents Bush and Putin announced a new energy dialogue, with the goals of increasing global energy supply and security, and promoting U.S.-Russian cooperation in developing energy resources. The first event of the dialogue was the U.S.-Russia Commercial Energy Summit, in October 2002, in Houston, Texas.

This historic summit brought together top officials and executives from the U.S. and Russian governments and energy industries. The U.S. secretaries of commerce and energy, and the Russian ministers of energy and trade and economic development, chaired the summit. Summit attendees agreed to strengthen energy cooperation between the United States and Russia by working toward the diversification of energy supplies, improvement of the bilateral investment environment, expansion of commercial partnerships, and development of resources in an environmentally responsible way. They also agreed to form the U.S.-Russia Commercial Energy Dialogue. This consists of U.S. and Russian energy companies, and it provides a forum



Secretary Evans gathers with the members of the commercial delegation in Moscow during the business mission to Russia in September 2003.

Photo courtesy of U.S. Department of Commerce.

U.S. BUSINESS DELEGATION

- Apache Corporation: an independent oil and gas exploration and production company
- Argus Limited: provider of oil and gas pipeline equipment and services
- Ariel Corporation: manufacturer of gas compressors
- CARBO Ceramics Inc.: manufacturer of proppants for oil and gas production
- Clock Spring Company: rehabilitation and repair of pipelines
- The George E. Failing Company: manufacturer of drilling machinery
- The Hanover Company: manufacturer of gas compressors
- Key Energy Services, Inc.: provider of oil field services
- Motorola Inc.: provider of communications for the oil and gas industry
- Randall & Dewey, Inc.: provider of energy investment banking and advisory services
- STARCON International, Inc.: construction and maintenance of refineries and petrochemical facilities
- TIEC, Inc.: management and technical consulting
- Tiger Machinery Company: dealer of Caterpillar equipment

for discussing issues affecting the U.S.-Russian energy relationship.

BUSINESS MISSIONS PROMOTE TRADE

The Department of Commerce, through the U.S. Commercial Service, sponsors trade events to help U.S. businesses enter international markets. These events include local trade seminars, international trade shows, and trade missions. The Commercial Service has more than 1,700 trade specialists in over 260 key business centers in the United States and around the world who work with U.S. businesses to promote their products and services and to protect their interests abroad.

The business development mission to Russia, led by Secretary Evans, aimed to further U.S. commercial policy objectives and to advance specific U.S. business interests. The goals of the mission were to

- Assess the commercial climate as well as trade and investment opportunities in Russia;
- Advance business interests of the mission's members by introducing them to government officials as well as potential clients and business partners;
- Assist new-to-market firms to gain a foothold in Russia and increase the visibility of U.S. companies already operating in this very competitive market;
- Support U.S. government efforts to eliminate market access problems encountered by U.S. firms in Russia;
- Encourage continued progress in economic reforms in Russia; and
- Promote U.S.-Russian energy cooperation.

The mission was organized to facilitate these goals and to provide participants with exposure to high-level contacts and access to the Russian market. The schedule of events included detailed briefings on the economic and political climate, and current trade and investment opportunities in Russia, as well as

opportunities for the U.S. executives to meet potential business partners.

In addition to large group meetings and seminars, Commercial Service trade specialists in St. Petersburg and Moscow worked with each delegation member to arrange numerous individual business appointments that were tailored to meet each of their current and prospective business needs.

OIL AND GAS SECTOR

At the conclusion of the trip, delegation members expressed optimism in their ability to develop business in Russia over time. All of the members recognized that Russia represents a very promising market, and that the country has made important strides toward being a free-market economy. While being hopeful, various members of the delegation clearly saw that impediments to doing business in Russia still exist, particularly revolving around corruption-related issues and the need for security.

Karen Buchwald Wright, president and chief executive officer of Ariel Corporation, summarized the mission experience well:

"The world's energy supplies will continue to affect every aspect of life, from opportunities in the developing world, to political and philosophical strategies in the developed world. Clearly, furthering partnerships between Russia and America, in this most crucial of arenas, will have a positive and stabilizing impact on the entire world. As Americans, we are pleased to be given the opportunity to further strengthen our relationship with Russia and provide growth opportunities for our companies. The trade mission venue is a good role for government to play, not trying to be in business, but rather fostering the introduction, which is all we need to seize the opportunity."

For information on future trade missions, visit www.export.gov/tradeevents. ■